

Message Text

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PAGE 01 STATE 073053
ORIGIN TRSE-00

INFO OCT-01 EUR-12 NEA-10 ISO-00 ABF-01 SCA-01 FS-01
OPR-02 H-01 /029 R

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APPROVED BY A/BF/FC:RPWHITENER
TREAS:OASIA/ODP:FMARESCA
TREAS:OASIA/DNF:RBLAKE
TREAS:OS/GC:LSANTOS
TREAS:GFO:IKESSER
TREAS:OASIA/ODP:RPELIKAN
NEA/EX:BWOERZ
SCA:JKILEY
A/BF/FC:JEMANION

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P 021805Z APR 77
FM SECSTATE WASHDC
TO AMEMBASSY CAIRO PRIORITY
INFO AMEMBASSY PARIS PRIORITY

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PARIS FOR RFC

E.O. 11652:

TAGS:

SUBJECT: EXCHANGE RATES

REFERENCE: (A) STATE 194527 (B) CAIRO 13829 (C) CAIRO
16070

1. BASED ON ITS REVIEW OF EXCHANGE RATES AND INFORMATION
PROVIDED BY EMBASSY (REF B), TREASURY HAS DETERMINED THAT
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THE FOLLOWING CHANGES SHOULD BE MADE:

(A) THE OFFICIAL RATE OF \$1 39 PIASTERS SHOULD BE USED
FOR INTERNATIONAL ORGANIZATIONS AND FOR PAYMENT OF CONSULAR
-- FEES AND LOCAL PAYROLLS.

(B) THE INCENTIVE RATE OF \$1 70 PIASTERS SHOULD BE

USED FOR ACCOMMODATION EXCHANGE, TOURIST SALES, AND OFFICIAL
INTERNAL TRANSACTIONS.

NOTE: THIS IS A REVISION IN THE RATE FOR CONSULAR FEES
AND LOCAL PAYROLLS FROM \$1 40 PIASTERS TO \$1 39 PIASTERS,
AND A REVISION OF THE INTERNAL OFFICIAL RATE FROM \$1 55
PIASTERS TO \$1 70 PIASTERS.

2. TREASURY REASONING FOR THESE CHANGES ARE (A) WITH RE-
GARD TO THE RATE FOR CONSULAR FEES AND LOCAL PAYROLLS,
THE OLD RATE OF \$1 40 PIASTERS IS NOT A RATE WHICH IS
OTHERWISE AVAILABLE FOR SUCH TRANSACTIONS, AND THEREFORE
IS INCONSISTENT WITH TREASURY POLICY AS STATED IN REF A,
(B) WITH REGARD TO THE OFFICIAL INTERNAL RATE, THE OLD
RATE OF \$1 55 PIASTERS WAS BASED ON THE AVAILABILITY OF
THE INCENTIVE RATE TO USG AGENCIES AT THE TIME THAT THE
SPECIAL INTERNAL RATE WAS ESTABLISHED. TREASURY HAS FOUND
THAT JUSTIFICATION FOR THE SPECIAL INTERNAL RATE STILL
EXISTS, BASED ON THE AVAILABILITY OF THE INCENTIVE RATE.
ACCORDINGLY, THIS RATE SHOULD BE REVISED TO REFLECT THE
CURRENT INCENTIVE RATE.

3. IN THE FUTURE, EMBASSY SHOULD FOLLOW THE SAME PROCEDURE
FOR REVISING THE INTERNAL RATE THAT IT CURRENTLY FOLLOWS IN
REVISING THE ACCOMMODATION RATE. UPON NOTIFICATION OF RE-
VISED INCENTIVE EXCHANGE RATE PAYABLE BY BANKS, EMBASSY
SHOULD CHANGE ACCOMMODATION AND INTERNAL RATES TOGETHER
AND NOTIFY DEPARTMENT AND TREASURY.

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4. IN VIEW OF THESE CHANGES, ISSUE OF EXCHANGE RATES
RAISED IN REF C, IS NOW SOMEWHAT ACADEMIC SINCE THE RATES
WILL NOW BE THE SAME. HOWEVER, THE ISSUE OF RECONVERSION
BY CODELS OF UNUSED FUNDS BACK TO DOLLARS IS STILL IMPOR-
TANT. EMBASSY WAS CORRECT IN REFUSING CONVERSION. UNUSED
FUNDS MUST BE RETURNED TO 19FT510 ACCOUNT. THE LAW CLEARLY
STATE THAT FUNDS FOR CONGRESSIONAL TRAVELERS ARE TO MEET
LOCAL CURRENCY EXPENSES INCURRED IN CARRYING OUT THEIR
OFFICIAL DUTIES, NOT REPEAT NOT FOR CONVERSION INTO DOLLARS.

5. PLEASE IMPLEMENT NEW RATE ASAP AND ADVISE DEPARTMENT
WHEN EFFECTED.
CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
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Concepts: INSTRUCTIONS, FOREIGN EXCHANGE RATES
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Disposition Approved on Date:
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Disposition Date: 22 May 2009
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